

FEBRUARY 8, 2007

**SUPPLEMENTAL RESPONSE OF
U.S. PAPER MILLS CORP.
TO INFORMATION REQUEST
OF UNITED STATES DEPARTMENT
OF THE INTERIOR, FISH AND WILDLIFE
SERVICE OF
1996**

U.S. Paper Mills Corp. makes the following supplements:

REQUESTS

Request No. 7: Indicate the time period (hereinafter referred to as the relevant time period) during which paper-making processes used by U.S. Paper Mills Corporation could have resulted in PCB releases.

Response: With regard to the Menasha plant, U.S. Paper came into ownership of the plant in 1983. U.S. Paper has not knowingly purchased any substance or object containing PCBs for use in its paper-making process. In any event, it is the understanding of U.S. Paper that carbonless copy paper was no longer produced after April, 1971. Presumably, by 1983, when U.S. Paper purchased the Menasha plant, the stock of carbonless copy paper available nationwide had been exhausted.

U.S. Paper did, and does, produce primarily brown paperboard at its DePere plant, which is predominantly comprised of recycled brown paperboard. A small portion of the furnish was made up of mixed paper, which could have contained an extremely small amount of carbonless copy paper. The DePere plant also has and does produce some white and gray paperboard. The production of white paperboard began with a small amount of white core stock for one particular customer at or about the time the DePere plant connected to the DePere Public Treatment Works. The recycled raw materials used for making this product were primarily soft whites, hard whites, and plate stock grades free of contamination, such as printing or coatings. At some point, the DePere plant experimented with some recycled carbonless copy paper during a run of this particular customer's product. The experiment was abandoned due to undesirable operating conditions and undesirable finished product characteristics. It is believed that any discharge of waste water from this experimentation was directed to the DePere Public Treatment Works, but given the results of sampling of the DePere plant's former ash and wastewater lagoons, this discharge may have been directed to the lagoons. In addition, the detections in the lagoons may indicate use of carbonless copy paper in addition to the experiment described above, or suggest that the experiment lasted for a longer period of time than originally believed.

In any event, the concentrations of PCBs detected in the "hotspot" in the Fox River adjacent to DePere plant, when coupled with the more recent finding of PCBs in the DePere plant ash and waste water lagoon (as a result of soil testing undertaken first in mid-2006), may indicate the receipt of carbonless copy paper broke.

The final reports of waste water lagoon sampling are attached, and indeed reports of two laboratories, Severn Trent, for the first series of tests, and Test America, for the second series of tests, reveal PCB contaminants in the former waste water lagoon where mill process water would have gone before process water was sent to the municipal facility in the early 1970s

Because of questions raised by various physical findings, U.S. Paper reviewed the prior work undertaken by former management in responding to written inquiries in 1996. Prior interviews appear to involve older management who should have been familiar with plant history and raw materials (such as Walter Cloud, who had begun working at DePere full time in 1940 and who bought the company from Harold Schilling and became president in 1971) and employees who were involved in purchasing (such as Larry Van Vorderen) as well as the existing management (Tom Olsen).

To better understand this, U.S. Paper, in the second half of 2006, undertook to interview former and remaining older employees who were present circa 1971 (when carbonless copy paper was in greatest production), regardless of whether these employees worked in an area of the plant which would have brought them into contact with carbonless copy paper. The relevant summaries of these interviews are set out below.

David Patterson began employment with U.S. Paper in June 1971. U.S. Paper operated 5 or 6 of their own trucks for waste paper delivery to it and also paper brokers delivered waste paper. The DePere plant did not have a de-inking process. He did not recall seeing any carbonless copy paper.

Charles Duxtater, employed at Sonoco since January 1968, was never involved with unloading bales of waste paper and had no information on carbonless copy paper. He did not work in the paper-making division.

Tom Van Deuzren, who was employed by the plant in November 1971, recalled the plant receiving 30 to 40 bales of carbonless copy paper per week in trucks in bales containing only broke. He recalled other employees saying they were using NCR paper (carbonless) when the paper making process would produce a particular fog or haze. Menasha Mills Supply, which he believed was National Fiber, delivered some waste paper, including carbonless copy paper, to the DePere mill in their own trucks.

Bernie Merline began employment at the plant on January 17, 1974. He recalled seeing carbonless copy paper at the plant and understood it was used in the "white paper" runs. There was no de-inking process involved. He also recalled a few occasions in the 1970s (after the plant connected to the DePere PTW) that excess wastewater was dumped in the lagoons when there was trouble with the paper machine.

Bob Albers (employed by U.S. Paper from June 1965 until September 2005), worked in his earlier years as a tube cutter. He had no information concerning any use of carbonless copy paper.

Ron Carter, employed by U.S. Paper from 1964 until 2000, worked in the core plant and had no knowledge of carbonless copy paper.

Donald Hecker, who began employment at the plant in 1954, believed that carbonless copy paper was used to make brown, not white, paper at the plant. He recalled that the carbonless copy paper emitted a strong odor during the drying process.

Rick Gerbers began employment in November, 1971. He was instructed by his boss to remove carbonless copy paper from the bales because it would turn the paper being made "blue." The carbonless copy paper pulled from the bales was discarded into the dumpster. He reported some of the carbonless copy paper came from Menasha Mill Supply. There was no de-inking process at the DePere plant.

John Knope began employment on September 13, 1971. From 1975 to 1983 he unloaded wastepaper at the plant. He reported that he saw carbonless copy paper mixed into some of the bales of office waste paper. He had no information on any trial run.

Dale Capelle, employed by U.S. Paper since 1974, had no information on the earlier trial run or with respect to the use of carbonless copy paper.

Gary Cornelissen has been employed by U.S. Paper since 1970, first as a cutter and rewinder and then was later involved in unloading trucks of waste paper from 1972 until 1974, as a result of newspaper drives in DePere. He had no knowledge of carbonless copy paper.

George Hecker was employed at the DePere plant from 1961 until 1996. He recalled the use of carbonless copy paper in the plant to make core paper because it emitted a strong odor and caused employees' eyes to burn. He also saw bales of carbonless copy paper being removed from trucks and box cars. He also picked up wastepaper that included carbonless copy paper from Appleton Paper (bales with large amounts of carbonless copy paper mixed in with waste paper), Menasha Mill Supply, and a company (whose name he couldn't recall) at 2600 South Roosevelt Street, Chicago, Illinois. He picked up carbonless copy paper in bales of sheet paper and trim from Appleton Paper or Coating on a weekly basis. He picked up bales of waste paper from National Fiber in Chicago, but did not know the type of paper.

Allen Peters began work at the plant on September 30, 1955 and saw carbonless copy paper mixed in with bales of waste paper on a few occasions. Some waste paper was delivered to the DePere mill by Menasha Mill Supply, using their own trucks.

John Lemmen worked for U.S. Paper from 1952 until 1996, and had no knowledge of carbonless copy paper. He recalled U.S. Paper trucks picking up waste paper, and waste paper coming on supplier's own trucks. He remembered seeing blue or black carbon paper, but not carbonless copy paper. There was no de-inking at DePere. He recalled the boiler ash lagoon dug in the late 1940s. The plant converted to gas around 1970.

Richard Rouse, employed from 1963 until 1999 by U.S. Paper, as a truck driver from 1970 until 1984, recalled the pick-up of paper from National Fiber, (some of which was white office paper) Continental Can/National Can, and Madison Recycling. He made no report of carbonless copy paper.

Vincent Hussong, employed by U.S. Paper from 1965 until 1985, mostly on the paper machine, had no knowledge of carbonless copy paper or odors that might have been associated with it.

Dan Van Gruensven has worked for U.S. Paper since 1971 and has no information on carbonless copy paper.

Gary Borman, employed initially by U.S. Paper from 1967 to 1987 in the core division, had no information on carbonless copy paper or paper brokers.

Dan Pansler was first employed by U.S. Paper on August 31, 1970 as a rewinder. As a rewinder, he knew of carbonless copy paper from workers on the paper machine because they complained about it.

Nancy Gustafson, employed by U.S. Paper from 1978-2001, had been executive secretary to the late Walter Cloud. She recalled National Fiber calling the plant.

Lawrence Liebergen worked for U.S. Paper from 1947 until 1991, and recalls picking up waste from National Fiber, Menasha Mill Supply, Menasha Corporation, Marathon-America Can and Leo Golper, but had no knowledge of whether carbonless copy paper was involved.

Richard Keyser was employed by U.S. Paper beginning in 1969. During his first 2 or 3 years of employment, he recalled an odor from the paper machine which burned his lungs. This occurred during runs of white paper, and the paper machine workers called these "Appleton Coating runs," because the waste paper came from Appleton Coating. Older workers told of Appleton Coating runs prior to 1969 when he began his employment at the DePere mill.

Ralph Wilcox, who worked for U.S. Paper from 1948 to 1979, worked in shipping from 1952 to 1962. He recalled that Menasha Mill Supply, a waste paper broker, delivered waste paper to the DePere plant in their own trucks. As a fill-in truck driver, he recalls picking up damaged cores and mixed bales of waste from Fort James, Green Bay, WI. U.S. Paper trucks picked up bales of lint from Diana Manufacturing.

Louis Thysson, a U.S. Paper employee from 1962 to 1988, worked on core and paper machines and had no information on carbonless copy paper.

Norbett Nackers, employed by U.S. Paper from 1954 until 1979, had no information on carbonless copy paper, and had worked on a paper machine and in the core paper area. He has had a stroke, which has affected his memory.

John Peters, first a core machine employee for U.S. Paper, and then an employee in the beater room where waste paper was fed into the hydropulper, during the years 1965 through 1976, with other jobs until 1996, had no knowledge of carbonless copy paper use or of de-inking.

Gary Van Lannen, an employee from 1957 until 1999, had vaguely recalled paper machine makers referring to Appleton Paper, when a strong smell emanated from the machine during a white paper run.

To the knowledge of U.S. Paper, both plants did intake and the Menasha plant currently does intake large quantities of water from the Fox River for use in the manufacturing process. It is possible that this intake water contains or contained PCBs that could have caused or contributed to any alleged release of PCBs.

Request No. 8: Indicate the time period within the relevant time period during which carbonless copy paper was reprocessed into recycled paper products by U.S. Paper Mills Corporation.

Response: With regard to the Menasha plant, U.S. Paper came into ownership of the plant in 1983. U.S. Paper did not knowingly purchase any substance or object containing PCBs for use in its paper-making process. In any event, it is the understanding of U.S. Paper that carbonless copy paper was no longer produced after April, 1971. Presumably, by 1983, when U.S. Paper purchased the Menasha plant, the stock of carbonless copy paper available nationwide had been phased out of use.

U.S. Paper did, and does, produce primarily brown paperboard at its DePere plant, which is predominantly comprised of recycled brown paperboard. A small portion of the furnish was made up of mixed paper which could have contained small amounts of carbonless copy paper. The DePere plant also has and does produce some white and gray paperboard. The production of white paperboard began with a small amount of white core stock for one particular customer at or about the time the DePere plant connected to the DePere Public Treatment Works. The recycled raw materials used for making this product were primarily soft whites, hard whites, and plate stock grades free of contamination, such as printing or coatings. At some point, the DePere plant experimented with some recycled carbonless copy paper during a run of this particular customer's product. The experiment was abandoned due to undesirable operating conditions and undesirable finished product characteristics. It is believed that any discharge of waste water from this experimentation was directed to the DePere Public Treatment Works.

To the extent the information set forth in answer to question 7 above involves carbonless copy paper received at the plant, the time for such would have been in the early 1970s and before. The extent that bales of carbonless copy paper were received as broke or otherwise is based on interviews summarized above and tests of soil in the former waste water lagoon.

A diligent interviewing process has been performed to supplement the earlier May 6, 1996 reply to the above requests.

Dated this 9th day of February, 2007.

By: Tim Davis
Tim Davis, President
U.S. Paper Mills Corp.

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